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Brooke F Adams 09/07/2006 03:55:53 PM From DB/Inbox: Brooke F Adams

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C O N F I D E N T I A L SECTION 01 OF 02 TRIPOLI 000472

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DEPARTMENT FOR NEA/MAG, NEA/RA, VCI, PM, G, OES CAIRO FOR DR. MARIE RICCIARDIONE LONDON FOR TSOU

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TAGS: PREL PGOV EAID ENRG ETTC PARM KNNP LY

SUBJECT: LIBYAN SCIENTISTS DETAIL PRIORITIES FOR COOPERATIVE EFFORTS

REF: A) TRIPOLI 459 B) TRIPOLI 454 C) TRIPOLI 201

CLASSIFIED BY: Elizabeth Fritschle, Pol/Econ Chief, U.S. Liaison Office, Department of State. REASON: 1.4 (b), (d)

Scientists working at the National Bureau for Research and Development, linked to the General People's Committee for Manpower, Training and Employment (GPCMET) headed by Matouq Matouq have used a number of recent meetings to detail the types of projects that they hoped would result from Libya's decision to give up its WMD program. They are focused on developing peaceful uses of nuclear energy and preparing Libya for the challenges it faces from an expanding population and dwindling water supply. During the recent visit of Ambassador Schulte, reported reftel (a), Matouq and his team asked for specific projects in the nuclear field as well as a cooperative agreement to provide an overarching framework. Qadhafi told Senator Specter during a meeting August 23, reported reftel (b), that he believed the U.S. had offered to build him nuclear powered facilities and help with technology transfer to "make Libya the Japan of North Africa." During a NASA cooperative effort on solar physics in March, Libyan scientists also conveyed their wish list of cooperative efforts, reported reftel (c). A recent meeting of the TSCC Nuclear Subcommittee also focused on the scope of scientific cooperation desired by Matouq's team (reported septel).

WHAT LIBYANS WOULD CONSIDER THE "REWARD" FOR GIVING UP WMD? 

 $\P2$ . (C) Matouq Matouq and his science advisors, Dr. Ali Gashut, Director of the National Bureau for Research and Development

(NBRD) and Dr. Mohammed Enami of the NBRD, regularly harangue U.S. delegations that "the Libyan case is not a good model for the rest of the world because it received no benefits from its decision to give up WMD programs." If pressed, many interlocutors will acknowledge that Libya reaped significant benefits as sanctions were lifted: trade and investment opportunities flowed to Libya, Libya was offered WTO accession, and world leaders began to consult with Libya on matters of mutual interest. However, other interlocutors, including Qadhafi and officials at the General People's Committee for Foreign Liaison and International Cooperation fixate on the "rewards" to open almost any conversation about bilateral relations. It seems that the Libyan leadership has determined they need some "deliverables" to show the Libyan people, especially to counter criticism of the Jamahiriya regime by Libyan opposition groups, other Arab countries and Iran. While the Libyan priorities are still primarily technology transfer and training, they hoped for some specific, large projects that they could show the Libyan public as the "reward."

- ¶3. (C) During the last few months, the Libyans have highlighted the following activities that they would consider "reward" for giving up WMD. In their view, if they had these tangible projects to show the rest of the world, they could then argue for a "Libya Model" that might apply to other countries. During a recent meeting with Senator Specter reported septel, Qadhafi said that he had been told the U.S. and other countries would build nuclear power plants in Libya and that his country would become the, "Japan of North Africa."
- 14. (C) The Libyans would like to see the following projects supported by the U.S. At times, different Libyan interlocutors have insisted that the U.S.G. should fund the activities as compensation of the value of the WMD equipment that we took back to U.S. In the August 29 meeting between Matouq and Ambassador Schulte reported reftel (a), Matouq said that Libya had the funding needed for any of the projects, but it sought technical assistance and training.

## THE LIST OF REWARDS

15. (C). As a first step, Matouq would like to see feasiblity studies conducted by U.S. firms for nuclear power generation in Libya. The list of project priorities also includes the following:

- \* nuclear power generation for Libya possibly for exporting power to other countries
- \* nuclear powered water desalination plants
- $^{\star}\,$  a nuclear medicine center at the Tripoli Medical Center with the ability to develop radioactive isotopes.
- \* solar energy technology for power generation
- \* solar energy technology for water processing both desalination and waste water management
- \* microsatellites for the Libyan Remote Sensing Center to use in urban planning and environmental monitoring. They also request licensing for high-resolution images received by U.S. satellites to further work in desertification studies and water resource management.
- \* technical and scientific training related to desertification prevention, sandstorm research, desert geology, disaster monitoring and meterorite studies
- \* water management projects
- $\boldsymbol{\ast}$  an international project or bilateral project to build a new telescope in the Libyan desert.
- 16. (C) Matouq and his team are generally pleased with the ongoing scientific cooperation projects that are currently underway on biological life sciences, mechanical engineering,

water management and nuclear medicine, but they are looking for "big-ticket" items that they can use to expand scientific research, generate employment, and counter criticism. Training activities and visitor programs to exchange information may be what the Libyans need, but it doesn't help them with their public perception problems. Although the U.S. is expending significant time and energy assisting with Libya's chemical weapons destruction program, Libyans do not consider that assistance as a "reward". On their balance sheet, the U.S. does not get credit for activities that we intitiate or fund - paying for the removal of their dangerous materials, or helping convert their Tajoura facility from HEU to LEU, or offering a million dollar grant for Avian flu prevention, or any of our many other bilateral programs.

- 17. (C) The Libyan scientists are reaching out to the G8 countries, especially France, Japan, and Russia, to request assistance with the same list of projects. Both the French and Japanese have signed cooperative agreements that are non-specific but pledge future collaboration in these areas. When the Japanese Ambassador to Libya was describing his strategy, he acknowledged that some of the Libyan objectives are unrealistic. He said," we know that a radioactive isotope facility may not be cost effective for the Libyans or a good business model, but if they want it and are willing to pay for it, we will help them move forward. The cooperative effort between our two countries is more important than the final outcome; we will gain significant benefits from the process of working together even if the results are not a guaranteed success."
- 18. (C) While post looks to the TSCC nuclear subcommittee (proceedings reported septel) to determine the appropriate scope of nuclear cooperation, as export license restrictions are being revised, hopefully some of the Libyan priorities will be able to move forward in the short term, particularly on solar energy applications. We appreciate NEA/RA and ISN efforts to continue the scientific engagement activities already underway. If OES organizes a delegation to visit Libya, U.S. officials should be prepared to address the Libyan priorities, along with clear guidance on whether or not an activity is feasible, and if so, what timelines are possible. If delegation members can provide ballpark cost estimates, Matouq and others in the Libyan leadership can begin working through their convoluted system to set aside funds for the activities. Post is also following up on the cooperation efforts explored with the General Peoples Committees during the Dobriansky delegation visit. Given the lack of coordination in the Libyan Jamahiriya (translate: state of the masses) government, we will attempt to ascertain the additional priority opportunities in health, agriculture and environment fields that are not reflected in the list presented by Matouq's group of scientists. GOLDRICH